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SIPDIS

SENSITIVE

DEPARTMENT FOR H. KUWAIT - PLEASE PASS TO CODEL

E.O. 12958: N/A TAGS: <u>PGOV PREL PHUM ECON TU IZ</u>

SUBJECT: SCENESETTER FOR CODEL DAVIS' VISIT TO TURKEY

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ACCORDINGLY

SUMMARY

11. (SBU) Your CODEL arrives in Ankara at a time when Turkey is considering increasing its cooperation in reconstruction and stabilization efforts in Iraq. The GOT is shifting its Iraq policy away from one centered on northern-Iraq and ethnic (Kurd or Turkmen) issues towards a more central Baghdad-oriented policy based primarily on stability through trade, humanitarian assistance and commercial opportunities for Turkish businesses. The new focus will help re-establish the confident cooperation that characterized U.S.-Turkish relations until earlier this year. Turkey has become an important source of and conduit for UN and U.S.-supplied aid to Iraq, and the GOT is considering contributing to the stabilization force in Iraq. High-ranking Turkish officials met August 5 and decided to flesh out the possible risks and scope of a Turkish contribution to the Iraq Stabilization Force. The governing Justice and Development (Turkish acronym: AK) Party, which came to power with an overwhelming Parliamentary majority, is in the midst of a successful stretch. It has pursued reforms geared at gaining EU accession. In continuing dialogue with the U.S., the GOT tells us it is committed to finding a solution on Cyprus and is open to improving relations with Armenia. However, the GOT continues to emphasize flaws in the Annan plan and does not have an alternative route to a comprehensive settlement plan. On Armenia, each side wants the other to move first and Nagorno-Karabakh is a continuing issue. Turkey has issued positive statements in support of the Middle East Roadmap and a number of high-level Israeli officials have visited Ankara recently, but the Turkish populace generally sympathizes with the Palestinians. Despite its policy of good neighborliness, Turkey has supported USG policy objectives in Syria and Iran. Two years of sound fiscal/monetary policy and structural reforms, the rapid and successful conclusion of the Iraq war, expected U.S. financial assistance, and unprecedented IMF support have combined to bring down inflation and interest rates, restore modest growth, and create some hope that Turkey can work its way out from under a high public debt burden. The government has an opportunity in the coming months to win the economy some much-needed breathing room, but this will require committed implementation of IMF-supported reforms as well as wise conduct of foreign policy. End summary.

IRAO

12. (SBU) There has been a concerted effort on the part of the GOT to shift its Iraq policy away from one centered on ethnicity (Turkmen and Kurd) and northern-Iraq towards a more central Baghdad-oriented policy based primarily on contributing to stability through trade, humanitarian assistance and commercial opportunities for Turkish businesses. The Turks have taken a number of concrete steps in humanitarian assistance and reconstruction since Secretary Powell,s April visit to Turkey. The World Food Program continues to ship considerable quantities of food through Turkey, and Turkey is also the world's biggest supplier (in value terms) to WFP. The GOT also has supported the US military's efforts to establish a ground line of communications here to re-supply US forces in Iraq. Turkey recently allowed an energy barter arrangement with Iraq to go forward that will help coalition authorities to supply essential energy supplies to the Iraqi people, and has offered several commercial/aid deals that Washington has welcomed.

13. (SBU) The GOT is also considering making a significant contribution to the stabilization force in Iraq. There are indications that the GOT is working to convince the Turkish populace and Parliament (a majority of which are opposed to the idea) to support a Turkish role. Some Turks -- including President Sezer — argue that further UN action (i.e. another mandate) is required. Others (including FM Gul) believe more UN, NATO, or Iraqi involvement in requesting Turkish support would convince Turkish public opinion that their support would be welcome. The Turks also remain concerned about the presence of PKK/Kadek terrorists in northern Iraq. Parliament recently passed a "re-integration" law law allowing non-leadership members of the PKK/Kadek to return voluntarily to Turkey, and the Turks are looking to the USG to implement our commitment to neutralize the PKK/Kadek threat from Iraq. The Turks also remain disturbed by what they consider to be Kurdish (vice US or Iraqi central authority) control of the Iraqi side of the Turkish-Iraq border. While the two governments attempt to move past the July 4 incident, where the U.S. arrested Turkish troops believed to be working contrary to efforts to create stability, the event and the Turks' perception of our mishandling of it are likely to linger in the Turks' perceptions of their relationship with the U.S.

## DOMESTIC POLITICAL SCENE

14. (SBU) The governing AK Party, which came to power with an overwhelming Parliamentary majority, is in the midst of a successful stretch. AK has pursued democratic and political reform (para 6). Meanwhile, AK's principle challengers — the opposition CHP and the xenophobic Genc Party of Motorola deadbeat Cem Uzan — are floundering. Questions about AK usually focus on its ultimate social, political, and economic intentions domestically or direction internationally (although they profess a commitment to relations with the U.S. and EU). Turkey's generals are keen to protect their status as Guardians of the (Kemalist) Republic, and thus the version of "secularism" they espouse. They, and much of the established State, see AK as a challenge to the founding ideology of Ataturk's Turkey. There are also questions about AK's ability to field an experienced and consistently competent administrative cadre. Formed in 2001, the party is still experiencing growing pains; the AK Government went through a rough patch during the run—up to the Iraq war but seems to have found its footing since Erdogan was established as Prime Minister in March. The party's convention this fall will provide further indications as to Prime Minister and AK Chairman Erdogan's ability to develop further the party's cohesion and vision.

## THE ECONOMY

15. (SBU) Two years of sound fiscal/monetary policy and structural reforms, the rapid and successful conclusion of the Iraq war, expected U.S. financial assistance, and unprecedented IMF support have combined to bring down inflation and interest rates, restore modest growth, and create some hope that Turkey can work its way out from under a high public debt burden. The Turkish Government has an opportunity, between now and the end of the year, to build on this momentum and thus push the economy away from the financial precipice on which it has been perched for the past three years. This will require the government, which so far has implemented the IMF recovery program with muted enthusiasm, to complete the next IMF review rapidly, proceed with scheduled privatizations, win a positive EU report in October, and avoid walking into a crisis with the Iraqi stabilization force issue. Failure to take advantage of this opportunity will not necessarily mean another crisis, but will leave the economy extremely vulnerable to external or internal shocks and undermine the potential for prosperity.

## POLITICAL REFORM PROCESS

16. (SBU) In the first nine months in power, the AK Government has passed a series of democratization and political reforms in the context of EU harmonization. In doing so, Turkey is garnering praise from the EU, which should decide by Dec. 2004 whether to begin formal accession talks with Turkey. The reform packages expand freedom of expression including mother tongue (i.e. Kurdish language) rights, increase penalties for perpetrators of torture, and raise the relative authority of elected civilians vis-a-vis the military. The AK

Government has also launched an anti-corruption drive that appears far more comprehensive than any conducted by previous governments. Nevertheless, there are a number of circles within Turkey who question AK's commitment to comprehensive reform, particularly regarding corruption allegations against the party itself.

CYPRUS

17. (SBU) The AK Government states that it remains committed to finding a solution on Cyprus, both for domestic political reasons and its interest in promoting Turkey's EU candidacy. Turkey's long support for Denktash, his rejection of the Annan plan and supporters in Ankara retard progress towards a comprehensive solution. Much will depend on the government's willingness to take on this issue between now and spring 2004, when Cyprus' EU membership becomes effective. AK owes nothing politically to "TRNC" leader Denktash and is thus interested in promoting transparent and fair elections in the North this coming December.

ARMENIA

18. (SBU) The AK government is much less wedded to Aliyev and tying improvement of relations with Armenia to settlement of Nagorno-Karabakh, but remains under sniper fire from entrenched anti-Armenian interests. AK officials tell us they recognize the trade and development benefits to Turkey from opening the border. However, AK officials have made it clear, as have the MFA and other Turkish officials, that passage of any Armenian genocide language, even by only one chamber of Congress, will set progress back significantly.

MIDDLE EAST

19. (SBU) Turkey prides itself on its good relations with both Israelis and Palestinians. While it supports the U.S.-sponsored Road Map, Turkey is leery of getting too far ahead of a Turkish populace that generally sympathizes with the Palestinian side. On Syria and Iran, Turkey argues that Turkey: 1) lives in a rough neighborhood and has an interest in minimizing friction with its neighbors; and 2) shares the same values and goals in the Middle East as the U.S. (stability, democracy and prosperity). In this regard, Foreign Minister Gul delivered a call for democracy and reform in the Islamic world at the June OIC Summit in Tehran.

CHILD CUSTODY

110. (SBU) Turkey has been a signatory to the Hague Convention since August 2000. Since that time, we are unaware of any children being returned to any country without the agreement of the abducting parent. There are systemic problems: 1) Courts meet for 10 minutes monthly on an individual case and do not focus on Hague issues; 2) judges do not understand the Hague Convention requirement and rule on custody rather than Hague issues, thereby requiring a lengthy appeal process; 3) the legal process lasts between 2-3 years total; and 4) the Ministry of Interior does not focus resources on finding the abducted child and the parent. The US currently has four applications pending, each for return of one child to the US. In one case the child has now been in Turkey over a year due to the slow court process and the judge used that delay to rule the child should stay in Turkey. In another case, the Government of Turkey has been unable to locate a child abducted to Turkey in October 2002. Due to physical abuse by the abducting father, the Turkish court ordered the child returned to the mother immediately. The Interior Ministry places a low priority on these types of cases and has been unable to locate the child.

TURKISH MILITARY

 $\P 111.$  (SBU) Following the early August meeting of the Supreme Military Council, TGS CHOD Gen Ozkok now has clearer authority over the military than he had one year ago when he took over TGS. He has surrounded himself with like-minded senior officers of his own - vice his predecessor's -

choosing and appears committed to supporting the reforms (both within Turkey and the military) needed to move toward the EU while trying to protect the military as defender of the secularist Turkish state. The Turkish military has taken some concrete steps after the failed March 1 parliamentary vote to mend fences with the US, including supporting the establishment of the GLOC and approval of a request to station aircraft at Incirlik Air Base in support of Operation Iraqi Freedom. Additionally, the TGS has initiated preliminary planning to determine scope, risks, and requirements for a potential role in the Iraq Stabilization Force, and appears to have taken the important steps of helping to shape this positively in the public eye with a view to gaining the domestic support crucial to passage, noting this is in Turkey's interest to participate. The military publicly states that it supports Turkey's EU candidacy, but some senior officials continue to criticize efforts to pass the necessary reforms to achieve this goal.

## TURKISH MEDIA

112. (U) Turkey has a lively and colorful media scene. Reporting often includes absolute fantasy passed as fact. Despite the large number of newspapers, however, readership is not as broad and deep as might be expected. Newspapers are influential in major cities but not far beyond. Most Turks get their news from television. Except for government-owned TRT television, all television stations in Turkey, like the print media, are owned by either individual businessmen or conglomerates. The press will be interested in your visit and seek comments at a number of venues.